

OFFICIAL STATEMENT

CITY OF COLTON

San Bernardino County, California

Assessment District No. 1976-1

(Cooley Drive)

Not to Exceed \$515,000.00

Bonds Under the Improvement Bond Act of 1915

Bids to be received by a representative of the City Council of the City of Colton at 11:00 A.M., Tuesday, March 1, 1977, at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., 1541 Wilshire Boulevard, Suite 402, Los Angeles, California 90017.



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NOTICE OF SALE
IMPROVEMENT BONDS
CITY OF COLTON

ASSESSMENT DISTRICT NO. 1976-1
(COOLEY DRIVE)

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a representative of the City Council of the City of Colton on

TUESDAY, MARCH 1, 1977

at the hour of 11:00 A.M. in the offices of the City's financing consultant, Stone & Youngberg Municipal Financing Consultants, Inc., Suite 402, 1541 Wilshire Boulevard, Los Angeles, California 90017, for the purchase of a total of not to exceed \$515,000.00 principal amount of improvement bonds of the City of Colton, designated "Improvement Bonds, City of Colton, Assessment District No. 1976-1 (Cooley Drive)" issued under and pursuant to the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915.

Proposals for the purchase of the bonds will be made and considered subject to the following terms and conditions:

DESCRIPTION OF BONDS: Not to exceed \$515,000 principal amount of bonds, dated April 2, 1977, all in the denomination of \$5,000, (except Bond Number 1, which may be in a denomination of less than \$5,000). The bonds will mature on each July 2, commencing July 2, 1978 and ending July 2, 1997, and shall be scheduled to mature so as to provide for approximately equal annual payments of principal and interest. For the purpose of computing the best bid, the following sample maturity schedule will be used:

July 2	Principal Maturing
1978	\$ 5,000.00
1979	10,000.00
1980	15,000.00
1981	15,000.00
1982	15,000.00
1983	15,000.00
1984	20,000.00
1985	20,000.00
1986	20,000.00
1987	25,000.00
1988	25,000.00
1989	25,000.00
1990	30,000.00
1991	30,000.00
1992	35,000.00
1993	35,000.00
1994	40,000.00
1995	40,000.00
1996	45,000.00
1997	50,000.00

REDEMPTION: Any bond may be redeemed on any January 2 or July 2 prior to its fixed maturity date, at the option of the Treasurer of the City, upon giving the notice provided in the Improvement Bond Act of 1915 and upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, plus a redemption premium of five percent (5%) of the principal amount thereof.

INTEREST RATE: The bonds shall bear interest from their date at a rate or rates to be determined at the sale thereof, not to exceed the legal maximum of eight percent (8%) per annum. Said bonds shall be represented by coupons payable semi-annually on January 2 and July 2 in each year except the first coupon which will be for interest from the date of said bonds to January 2, 1978. Bidders may specify any number

of separate interest rates, and any rate may be repeated as often as desired; provided, however, that (i) the difference between the highest and lowest coupon rates specified in any bid shall not exceed two percent (2%); (ii) each interest rate specified must be in a multiple of 1/20 of 1% and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds of the same maturity date shall bear the same interest; and (vi) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which provides for the cancellation and surrender of any interest coupon or for the waiver of interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the office of the Treasurer of the City of Colton, in Colton, California.

EXECUTION AND REGISTRATION: Coupon bonds will be issued by the City. The bonds will be executed by the manual signature of at least one official authorized to execute the bonds. The bonds are registrable only as to both principal and interest, and after being registered are not subject to discharge from registration.

SECURITY OF BONDS: The bonds are issued upon and secured by unpaid assessments levied in assessment proceedings, and such unpaid assessments, together with interest thereon, constitute a trust fund for the redemption and payment of the principal of the bonds and the interest thereon, and all the bonds are secured by the moneys in the redemption fund created pursuant to said proceedings and by the unpaid assessments, and, including principal and interest, are payable exclusively out of said redemption fund. Under the circumstances provided in the Improvement Bond Act of 1915, the City, in the absence of any other bidder, is obligated, by deposits into the redemption fund, to purchase land at delinquent assessment sales and to pay future delinquent installments of assessments and interest thereon until such land is resold by the City or redeemed and, if there are no funds available therefor in the City treasury, to levy a special tax upon the taxable property in the City, not to exceed \$.10 on each \$100 of assessable property in any one year, to raise funds sufficient for such purposes.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court; (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the City, be relieved of his obligation under the contract to purchase the bonds and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of F. Mackenzie Brown, attorney, of Newport Beach, California, approving the validity of the bonds will be furnished to the successful bidder without charge. A copy of the legal opinion on the bonds, certified by the officer in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

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TERMS OF SALE

HIGHEST BID: Each proposal must be for all of the bonds. The bonds will be awarded to the highest bidder bidding for the bonds, considering the interest rates specified and the premium offered, if any, or the discount bid, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from, or by adding the amount of the discount bid (if any) to, the total amount of interest which the City would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate specified in the bid, and the award will be made on the basis of the lowest net interest cost to the City. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest will be computed on a 360-day year basis. The cost of printing the bonds will be borne by the City.

RIGHT OF REJECTION: The City Council reserves the right, in its discretion, to reject any and all proposals and to waive any irregularity or informality in any proposal.

PROMPT AWARD: The City Council will take action awarding the bonds or rejecting all bids not later than 36 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder.

PROMPT DELIVERY: Delivery of the bonds will be made to the successful bidder at Jeffries Banknote Company, 1330 West Pico Boulevard, Los Angeles, California (or any other mutually agreeable location) as soon as the bonds can be prepared, which it is estimated will be within 30 days from the date of sale, but not prior to the date of the bonds. Payment for the bonds must be made in bank funds immediately available to the City in Los Angeles, California.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the City shall fail to execute the bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

DISCOUNT: No discount may be specified which is in excess of two percent (2%) of the par value of the bonds offered for sale.

FORM OF BID: All bids must be for not less than all of the bonds and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid. Each proposal, together with bidder's check, must be enclosed in a sealed envelope addressed to the City Clerk, City of Colton and endorsed "Proposal for Improvement Bonds, City of Colton, Assessment District 1976-1 (Cooley Drive)". All proposals must be delivered to the office of the City's financing consultant, Stone & Youngberg Municipal Financing Consultants, Inc., Suite 402, 1541 Wilshire Boulevard, Los Angeles, California, prior to 11:00 o'clock A.M. on March 1, 1977.

BID CHECK: With each proposal must be submitted a certified check or cashier's check for \$10,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the Treasurer of the City, to secure the City from any loss resulting from the failure of the bidder to comply with the terms of his bid. Checks of all bidders (except the successful bidder) will be returned by the City by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by any bidder.

NET INTEREST COST: Bidders are requested, but not required, to supply an estimate of the total net interest cost and the estimated net interest rate to the City on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or City.

OFFICIAL STATEMENT: The City has prepared an Official Statement, a copy of which will be furnished upon request made to the City or to Stone & Youngberg Municipal Financing Consultants, Inc., Suite 402, 1541 Wilshire Boulevard, Los Angeles, California 90017, the City's financing consultant.

Fifty (50) copies of said Official Statement will be made available to the successful bidder without charge.

NO-LITIGATION CERTIFICATE: The City will furnish to the purchaser of the bonds a no-litigation certificate, certifying that there is no controversy or litigation pending concerning the validity of the bonds or the levy and collection of the assessments securing the same, or the existence of the Assessment District No. 1976-1 (Cooley Drive) or of the City, or the title of the officers thereof to their respective offices.

DATED: January 18, 1977

Helen Ramos
City Clerk
City of Colton

1
CITY OF COLTON

SAN BERNARDINO COUNTY, CALIFORNIA

2
City Council

Abe E. Beltran, *Mayor*

Connie Cisneros
Frank A. Gonzales

James Hayes
Leroy Rehner

Charles G. Huffaker, *City Manager*

Margaret Berkebille
City Treasurer

Daniel H. Burnett
City Engineer

Stephen Edwards
City Attorney

Helen Ramos
City Clerk

George R. Williams
Executive Director
Colton Redevelopment Agency

Earl Young
Director of Community Services

Professional Services

F. Mackenzie Brown, Newport Beach
Bond Counsel

[Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco]
Financing Consultants

John J. Mullen & Associates, Newport Beach
Consulting Engineers

Invest. Publ. Secur.
Publ. debts Munic. Colton
" works Finance "
Streets Const. "

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 18, 1977

January 18, 1977

To Whom it May Concern:

The purpose of this Official Statement is to supply information to prospective purchasers of not to exceed \$515,000 principal amount of bonds to be issued by the City of Colton pursuant to the Improvement Bond Act of 1915 for Assessment District No. 1976-1 (Cooley Drive).

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants in connection with the Assessment District project and the firm will receive compensation contingent upon the sale and delivery of bonds.

The legal opinion approving the validity of the Bonds will be furnished by F. Mackenzie Brown, Newport Beach, California, Bond Counsel. Bond counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth under the heading "The Bonds".

At the time of payment for and delivery of the Bonds, the City will furnish the successful bidder a certificate signed by an appropriate officer of the City acting in his official capacity to the effect that to the best of his knowledge and belief and after reasonable investigation:

(a) Neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein in light of the circumstances in which they were made not misleading;

(b) Since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement;

(c) Nor, has there been in any matter adverse change in the operation or financial affairs of the City since the date of the Official Statement.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement and any supplement or amendment, and if given or made, such information or representation must not be relied upon as having been authorized by the City.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the bonds by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been authorized by the City Council of the City of Colton.

Abe E. Beltran
Mayor
City of Colton

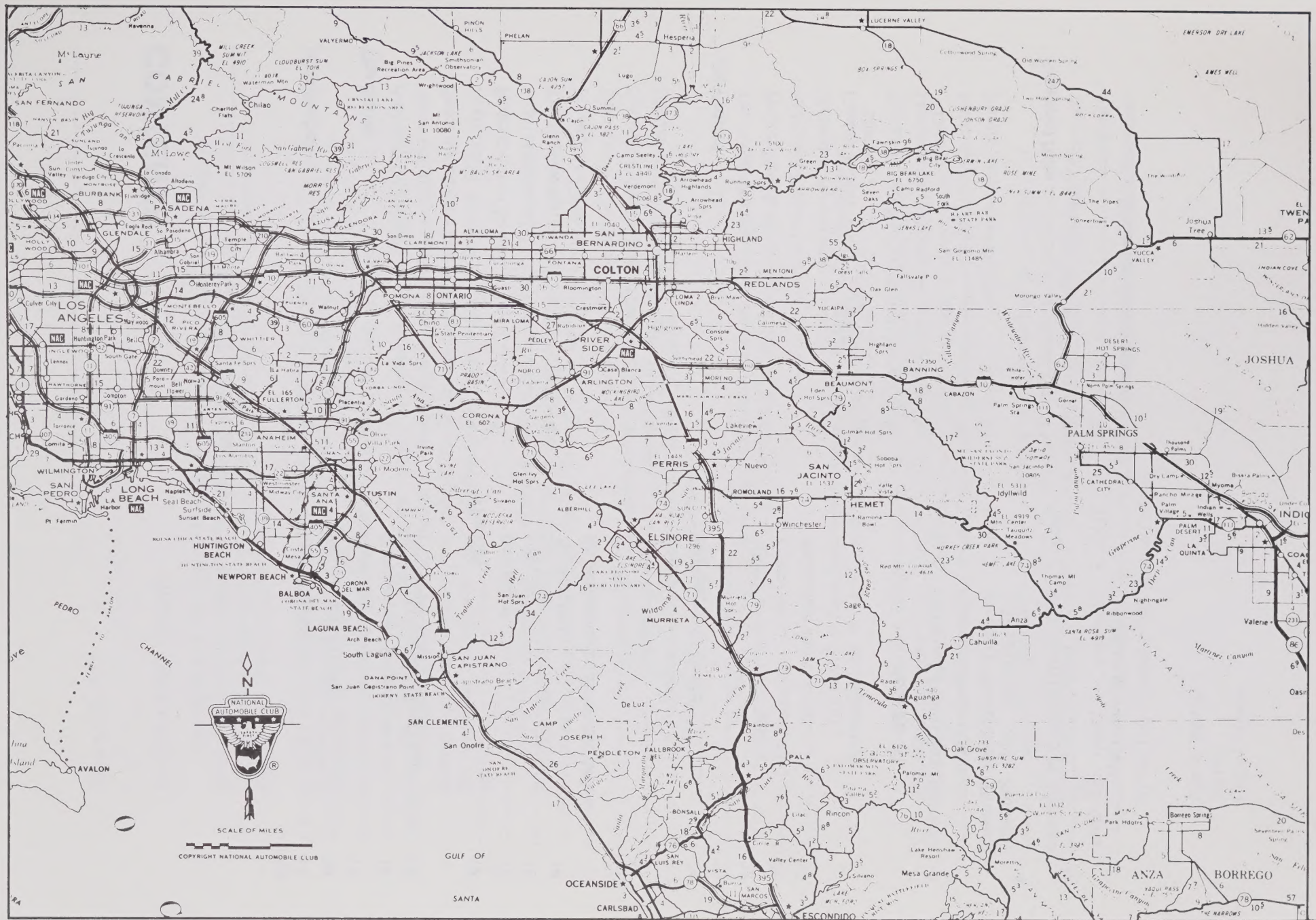
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INTRODUCTION

Colton is located in the center of the San Bernardino Valley, a few miles south of the city of San Bernardino and 54 miles east of Los Angeles. Colton is on the main lines of the Union Pacific, Santa Fe, and the Southern Pacific railroads. It is also the meeting point of four major freeways. This advantageous location has caused Colton to be labeled the "Hub City."

Assessment District No. 1976-1 (Cooley Drive) is the second of a series of special assessment districts which are proposed for financing public improvements to facilitate the orderly and economical development of the Cooley Ranch. The Cooley Ranch encompasses 436 acres in the City of Colton located southwest of the junction of the San Bernardino Freeway (Interstate 10) and the Riverside Freeway (Interstate 15/U.S. 395). The Cooley Ranch is roughly bounded on the north by property owned by the Southern Pacific Railroad, on the east by the Riverside Freeway, on the south by the Southern California Edison substation and the Riverside Freeway, and on the west by the Santa Ana River.

Cooley Drive is proposed to be improved from Mount Vernon Avenue to a point approximately 1,000 feet easterly of Mount Vernon Avenue. The street improvements to be constructed in Cooley Drive include grading, paving, curbs and gutters, driveways, sidewalks, sanitary sewer lines and laterals, water lines, a bicycle path, an underground electrical system, storm drains, and street lights. A storm drain is to be constructed in Mount Vernon Avenue from Cooley Drive southerly to the existing Reche Canyon Flood Control Channel. The alignment of the proposed improvements is shown on the map of the Assessment District on page 8.

Construction bids will be received on February 22, 1977. The proposed assessments will thereafter be revised based on the lowest, responsible bid for the construction contract. The construction bids and the revised assessments will be referred to the City Council for its consideration at the public hearing to be held at 7:30 P.M. on March 1, 1977. At the close of the public hearing it is anticipated that the assessments as revised based on the low construction bid will be confirmed and the bonds will be awarded. The cash collection period during which property owners may pay all of any portion of the confirmed assessment levied against their property is expected to end on April 1, 1977. It is not anticipated that any cash collections will be received.

The improvement proceedings for City of Colton, Assessment District No. 1976-1 (Cooley Drive) are being conducted pursuant to the Municipal Improvement Act of 1913 in accordance with the Resolution of Intention adopted by the City Council on January 18, 1977. The Bonds represent the unpaid assessments levied against private property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915.

Under provisions of the Improvement Bond Act of 1915 installments of principal and interest sufficient to meet annual bond service are to be collected on the regular property tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund which will be held by the Treasurer and used to pay bond principal and interest as they become due. The installments billed against each property each year represents a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against the property bears to the total of unpaid assessments in connection with the project.

In the event of delinquencies in the payment of the property owner's installments, the City Council of the City of Colton is obligated to advance the amount of delinquencies to the Redemption Fund from any available funds. If the City does not have sufficient funds for this purpose, it is required to levy a tax in any

amount, up to a maximum of 10 cents per \$100 assessed valuation. The tax must be levied against all taxable properties in the City. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid.

The 1976/77 assessed valuation of the City of Colton is \$54,501,270. Based on an estimated interest rate of seven percent (7%) and the City's 1976/77 assessed valuation, the maximum tax rate which would be required to be levied against all property in the City in order to raise an amount equal to the estimated maximum annual bond service is \$0.0919 per \$100 assessed valuation.

The Redevelopment Agency of the City of Colton in 1975 formed Project Area No. 4 which encompasses the 436 acres of the Cooley Ranch. On December 7, 1976, the City of Colton and the Colton Redevelopment Agency entered into an agreement providing that the tax incremental revenues earned within the boundaries of the Assessment District shall be pledged to the City to pay a portion of the costs of the improvements in Cooley Drive, or shall be used and pledged as a contribution as set forth in Section 10205 of the Streets and Highways Code of the State of California. Ordinance No. 1508 of the City of Colton adopted on January 4, 1977 provides that all monies received by the City from the Redevelopment Agency, pursuant to the contract dated December 7, 1976, shall be applied as a credit upon all levied assessments in the Assessment District in the manner and form as provided in Section 10427.1 of the Streets and Highways Code of the State of California.

Tax incremental revenues allocated to the Redevelopment Agency as the result of increased assessed valuation within the Assessment District are pledged to reimburse the City for annual contributions which the City may make to the Assessment District. The contribution will reduce the amount which annually will be billed to the properties with unpaid assessments. The contribution will first be made to reduce the annual installment for the property which generated the tax increment and next to reduce the annual installment of the remaining parcels within the Assessment District.

THE BONDS

Authority for Issuance

The improvement proceedings for City of Colton, Assessment District No. 1976-1 (Cooley Drive) (hereinafter referred to as the "Assessment District") are being conducted pursuant to the Municipal Improvement Act of 1913 in accordance with the Resolution of Intention adopted by the City Council on January 18, 1977. The Bonds represent the unpaid assessments levied against private property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915.

Terms of Sale

Bids for the purchase of the Bonds will be received by a representative of the City Council of the City of Colton at 11:00 A.M., Tuesday, March 1, 1977, at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 402, 1541 Wilshire Boulevard, Los Angeles, California 90017. The Notice of Sale, adopted by the City Council on January 18, 1977, provides for a maximum interest rate of eight percent (8%) and also provides that no bid for less than ninety-eight percent (98%) of par will be considered.

Further details as to the terms of sale are included in the Notice of Sale, a copy of which is enclosed with this Official Statement.

Description of the Bonds

Not to exceed \$515,000 principal amount of bonds, dated April 2, 1977, will be issued in denominations of \$5,000, except for Bond Number 1, which may be issued in a denomination less than \$5,000. The first nine months' interest on the Bonds will be payable on January 2, 1978. Interest will be payable semi-annually thereafter on July 2 and January 2 of each year. Both principal and interest are payable at the office of the City Treasurer in Colton, California. The Bonds will mature on July 2, commencing July 2, 1978 and ending July 2, 1997, and shall be scheduled to mature so as to provide for approximately equal annual payments of principal and interest. For purposes of determining the best bid, the following Sample Maturity Schedule will be used.

SAMPLE MATURITY SCHEDULE

Year	Principal Maturing July 2	Year	Principal Maturing July 2
1978.....	\$ 5,000	1988.....	\$25,000
1979.....	10,000	1989.....	25,000
1980.....	15,000	1990.....	30,000
1981.....	15,000	1991.....	30,000
1982.....	15,000	1992.....	35,000
1983.....	15,000	1993.....	35,000
1984.....	20,000	1994.....	40,000
1985.....	20,000	1995.....	40,000
1986.....	20,000	1996.....	45,000
1987.....	25,000	1997.....	50,000

Registration

Coupon bonds as originally issued may be registered as to principal and interest only, and after being registered are not subject to discharge from registration.

Redemption of Bonds

Any Bond may be redeemed on any January 2 or July 2 prior to its fixed maturity date, at the option of the Treasurer of the City, upon giving 60 days prior notice, and upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, plus a redemption premium of five percent (5%) of the principal amount thereof.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval of F. Mackenzie Brown, Newport Beach, California, bond counsel for the City of Colton in connection with the Assessment District project. The unqualified opinion of F. Mackenzie Brown, Attorney at Law, approving the validity of the Bonds will be furnished to the successful bidder upon delivery of the Bonds at no charge, and a copy of the legal opinion will be printed on each Bond.

Tax Exempt Status

In the opinion of the Bond Counsel, interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws and also from personal income taxes of the State of California under present state income tax laws.

Purpose of the Bonds

Proceeds from the sale of the Bonds together with cash collections will be used to finance the construction of certain street and public utility improvements for the benefit of the properties within the boundaries of the Assessment District.

Disposition of Surplus Funds

If any surplus funds remain after completion of the improvements, the City Council may use such surplus for one or more of the following purposes: for the maintenance of the improvement; as a credit upon the assessment or any supplemental assessment; or an amount up to \$1,000.00 may be transferred to the general fund of the City.

Security of the Bonds

Under provisions of the Improvement Bond Act of 1915 installments of principal and interest sufficient to meet annual bond service are to be collected on the regular property tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund which will be held by the Treasurer and used to pay bond principal and interest as they become due. The installments billed against each property each year represent a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against the property bears to the total of unpaid assessments in connection with the project.

In the event of delinquencies in the payment of the property owner's installments, the City Council of the City of Colton is obligated to advance the amount of delinquencies to the Redemption Fund from any available funds. If the City does not have sufficient funds for this purpose, it is required to levy a tax in any amount, up to a maximum of 10 cents per \$100 assessed valuation. The tax must be levied against all taxable properties in the City. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid.

Based on the City's 1976/77 assessed valuation (\$54,501,270) and an estimated interest rate of seven percent (7%), the maximum tax rate which would be required to be levied against all property in the City in order to raise an amount equal to the estimated maximum annual bond service is \$0.0919 per \$100 assessed valuation.

Estimated Annual Bond Service

Table 1 shows a schedule of estimated annual bond service for the Bonds based on the estimated interest rate of seven percent.

Table 1

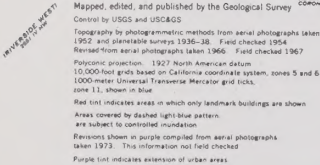
CITY OF COLTON

ASSESSMENT DISTRICT NO. 1976-1 (COOLEY DRIVE)

Estimated Annual Bond Service

Year Ending July 2	Principal Outstanding	Estimated Interest at 7%	Principal Maturing July 2	Estimated Annual Bond Service
1978.....	\$515,000	\$ 45,062.50(1)	\$ 5,000	\$ 50,062.50
1979.....	510,000	35,700.00	10,000	45,700.00
1980.....	500,000	35,000.00	15,000	50,000.00
1981.....	485,000	33,950.00	15,000	48,950.00
1982.....	470,000	32,900.00	15,000	47,900.00
1983.....	455,000	31,850.00	15,000	46,850.00
1984.....	440,000	30,800.00	20,000	50,800.00
1985.....	420,000	29,400.00	20,000	49,400.00
1986.....	400,000	28,000.00	20,000	48,000.00
1987.....	380,000	26,600.00	25,000	51,600.00
1988.....	355,000	24,850.00	25,000	49,850.00
1989.....	330,000	23,100.00	25,000	48,100.00
1990.....	305,000	21,350.00	30,000	51,350.00
1991.....	275,000	19,250.00	30,000	49,250.00
1992.....	245,000	17,150.00	35,000	52,150.00
1993.....	210,000	14,700.00	35,000	49,700.00
1994.....	175,000	12,250.00	40,000	52,250.00
1995.....	135,000	9,450.00	40,000	49,450.00
1996.....	95,000	6,650.00	45,000	51,650.00
1997.....	50,000	3,500.00	50,000	53,500.00
TOTAL.....		\$481,512.50	\$515,000	\$996,512.50

(1) Interest for 1.25 years.



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

10 ROAD CLASSIFICATION

X Heavy duty _____ F Light duty _____
S Medium duty _____ S Unimproved dirt _____

☒ Interstate Route ☐ U.S. Route ☐ State Route

14 SAN BERNARDINO SOUTH, CALIF.

SE/4 SAN BERNARDINO 15 QUAD/ANGL
N3400—W1175/7.5

THE PROJECT

Assessment District No. 1976-1 (Cooley Drive) is the second of a series of special assessment districts which are proposed for financing public improvements to facilitate the orderly and economical development of the Cooley Ranch.

The Cooley Ranch

The Cooley Ranch encompasses 436 acres in the City of Colton located southwest of the junction of the San Bernardino Freeway (Interstate 10) and the Riverside Freeway (Interstate 15/U.S. 395). The Cooley Ranch is roughly bounded on the north by property owned by the Southern Pacific Railroad, on the east by the Riverside Freeway, on the south by the Southern California Edison substation and the Riverside Freeway, and on the west by the Santa Ana River.

Project Description

Cooley Drive is proposed to be improved from Mount Vernon Avenue to a point approximately 1,000 feet easterly of Mount Vernon Avenue. The street improvements to be constructed in Cooley Drive include grading, paving, curbs and gutters, driveways, sidewalks, sanitary sewer lines and laterals, water lines, a bicycle path, an underground electrical system, storm drains, and street lights. A storm drain is to be constructed in Mount Vernon Avenue from Cooley Drive southerly to the existing Reche Canyon Flood Control Channel. The alignment of the proposed improvements is shown on the map of the Assessment District on page 8.

Estimated Project Costs

A summary of the estimated project costs is presented in Table 2.

Table 2

CITY OF COLTON

ASSESSMENT DISTRICT NO. 1976-1 (Cooley Drive)

Estimated Project Costs

Construction Costs	\$376,588.37
Contingencies	37,658.84
Incidental Expenses	100,752.79
Estimated Project Cost.....	\$515,000.00

Construction bids will be received on February 22, 1977. The proposed assessments will thereafter be revised based on the lowest, responsible bid for the construction contract. The construction bids and the revised assessments will be referred to the City Council for its consideration at the public hearing to be held at 7:30 P.M. on March 1, 1977. At the close of the public hearing it is anticipated that the assessments as revised based on the low construction bid will be confirmed and the bonds will be awarded. The cash collection period during which property owners may pay all of any portion of the confirmed assessment levied against their property is expected to end on April 1, 1977. It is not anticipated that any cash collections will be received.

Method of Assessment

The cost of driveways, sewer laterals and water connections were allocated to the parcels which they serve. The balance of the construction costs were allocated based on the lineal feet of frontage which each parcel has on Cooley Drive. Contingencies and incidental costs were allocated to each parcel based on the ratio of the construction costs which had been allocated to each parcel. The amount to prepay the outstanding assessment levied in 1972 for the Cooley Ranch Sewer Assessment District was allocated to each parcel based on the amount remaining unpaid against each parcel. The amount of the proposed assessment, a description of each parcel and the names of the property owners are listed in Table 3.

Table 3

ASSESSMENT DISTRICT NO. 1976-1 (Cooley Drive)

CITY OF COLTON

Proposed Assessments, Property Descriptions and Property owners

Assessment and Diagram Number	Propertyowner Name/ Address	Property Description (1)	San Bernardino County Assessor's Parcel No.	Assessment As Preliminarily Approved
1	George Collins(2) P. O. Box 97 La Quinta, Calif.	Parcel 7, Parcel Map No. 3310	276-142-31	\$257,650.11
2	San Bernardino County Medical Societies 333 Fairway Dr. San Bernardino, Calif.	Parcel 1, Parcel Map No. 3140	276-142-21	30,409.97
3	San Bernardino County Medical Societies 333 Fairway Dr. San Bernardino, Calif.	Parcel 2, Parcel Map No. 3140	276-142-23	62,069.68
4	Colton Limited, a partnership 11156 South Mt. Vernon Ave. Colton, Calif.	Parcel 3, Parcel Map No. 3140	276-142-23	30,951.86
5	Colton Limited, a partnership 11156 South Mt. Vernon Ave. Colton, Calif.	Parcel 1, Parcel Map No. 3310	276-142-26	30,951.86
6	Colton Limited, a partnership 11156 South Mt. Vernon Ave. Colton, Calif.	Parcel 2, Parcel Map No. 3310	276-142-27	30,951.86
7	Colton Limited, a partnership 11156 South Mt. Vernon Ave. Colton, Calif.	Parcel 3, Parcel Map No. 3310	276-142-28	34,165.99
8	Colton Limited, a partnership 11156 South Mt. Vernon Ave. Colton, Calif.	Parcel 4, Parcel Map No. 3310	276-142-29	\$ 37,848.67
				\$515,000.00

(1) Parcel Map No. 3140 recorded in Book 28 of Parcel Maps, pages 71, 72 and 73, and Parcel Map No. 3310 recorded in Book 30 of Parcel Maps, pages 73, 74 and 75, Records of San Bernardino County.

(2) Property is reported to be in escrow to be sold to Life Development Company, Redlands, California.

Cooley Ranch Sewer Assessment District

In 1972 the City of Colton issued \$345,006.55 principal amount of bonds under the Improvement Bond Act of 1915 for the construction of sanitary sewer trunk lines and appurtenances within the Cooley Ranch Sewer Assessment District. The unpaid assessment levied for the Cooley Ranch Sewer Assessment District against the parcels within Assessment District No. 1976-1 (Cooley Drive) will be paid off. The amount of the unpaid assessment for the Cooley Ranch Sewer Assessment District plus accrued interest plus a penalty of five percent of the unpaid assessment has been included as an incidental cost for Assessment District No. 1976-1 (Cooley Drive).

Cooley Ranch Redevelopment Project

The Redevelopment Agency of the City of Colton in 1975 formed Project Area No. 4 which encompasses the 436 acres of the Cooley Ranch. On December 7, 1976, the City of Colton and the Colton Redevelopment Agency entered into an agreement providing that the tax incremental revenues earned within the boundaries of the Assessment District shall be pledged to the City to pay a portion of the costs of the improvements in Cooley Drive, or shall be used and pledged as a contribution as set forth in Section 10205 of the Streets and Highways Code of the State of California. Ordinance No. 1508 of the City of Colton adopted on January 4, 1977 provides that all monies received by the City from the Redevelopment Agency, pursuant to the contract dated December 7, 1976, shall be applied as a credit upon all levied assessments in the Assessment District in the manner and form as provided in Section 10427.1 of the Streets and Highways Code of the State of California.

Development Within the Assessment District

The San Bernardino County Medical Society has nearly completed its new building located within the Assessment District. The building permit value for the Medical Society building is \$406,000. The Southern California Air Pollution Control District's new eastern zone headquarters will be leased in a building to be constructed within the Assessment District. The value of the building permit which has been issued for the Air Pollution Control District building is \$270,000.

Environmental Review

The City of Colton has completed its environmental review process. It has been determined that the project will not have significant environmental effect and a negative declaration has been filed.

Future Assessment Districts

In subsequent stages of development, Mount Vernon Avenue will have to be widened and improved including the construction of the Reche Canyon Channel crossing and undergrounding of power transmission lines along Mount Vernon Avenue. It is proposed that Mount Vernon Avenue will have six lanes and a right-of-way width of 122 feet. A storage reservoir with adequate capacity to provide domestic water and fire protection for the ultimate development of the Cooley Ranch will be required. The estimated cost of these improvements is approximately \$1,750,000. If the estimated cost of the storage reservoir and the improvements to Mount Vernon Avenue including the channel crossing and undergrounding of power transmission lines were assessed to the 436 acres of land comprising the Cooley Ranch, the average assessment would be approximately \$4,442 per acre excluding 42 acres proposed to be used for parks, streets and trails. The amount which would be assessed to the land within Assessment District No. 1976-1 (Cooley Drive) is estimated to be approximately \$72,000.

FINANCIAL DATA

Assessed Valuations

Assessed valuations for the City of Colton are established by the San Bernardino County Assessor, except for utility property, which is assessed by the State Board of Equalization. According to the State Board of Equalization, San Bernardino County assessed valuations for the 1976/77 fiscal year averaged 23.7 percent of full cash value. Utility property was reported to be assessed at 25 percent of full value.

The assessed valuations reflect two exemptions which do not result in any loss of revenue to the City or other local taxing agencies. One of these exempts \$1750 of the valuation of an owner-occupied dwelling and the other exempts 50 percent of the assessed valuation of business inventories. Tax revenues lost as a result of these exemptions are reimbursed by the state to the individual taxing agencies.

Following is a summary of the total assessed valuations for revenue purposes of the City of Colton over the past five years. The totals do not include the incremental assessed valuation located within the Colton Redevelopment Project Areas.

CITY OF COLTON

Taxable Assessed Valuations For Revenue Purposes

Fiscal Year	Assessed Valuation For Revenue Purposes
1972/73.....	\$39,148,180
1973/74.....	42,420,880
1974/75.....	46,715,585
1975/76.....	51,413,340
1976/77.....	54,501,270

The following table shows the 1976/77 assessed valuation of the City of Colton before and after giving effect to state reimbursed exemptions. The tabulation does not include the incremental assessed valuation of the Colton Redevelopment Projects which for 1976/77 revenue purposes total \$645,125.

CITY OF COLTON

1976/77 Assessed Valuation

Tax Roll	Taxable Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Secured.....	\$32,476,580	\$ 7,417,290	\$ 39,893,870
Utility	5,664,990	—	5,664,990
Unsecured	6,156,605	2,785,805	8,942,410
Total.....	\$44,298,175	\$ 10,203,095	\$ 54,501,270

Source: San Bernardino County Auditor-Controller.

Tax Rates

City of Colton ad valorem taxes are collected by the San Bernardino County Tax Collector at the same time and on the same rolls as county and school taxes. Ad valorem taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively, except for taxes on property on the unsecured roll. Unsecured taxes are assessed on March 1 and become delinquent on August 31 in the same calendar year but in the next fiscal year.

The City of Colton tax rate for the 1976/77 fiscal year is \$1.6139 per \$100 of assessed valuation for 71.21 percent of the assessed valuation of property within the City. For the Colton Annexes which represent 28.79 percent of the assessed valuation of the City, the 1976/77 tax rate is \$1.5735 per \$100 assessed valuation.

Tax Code Area 200, the largest tax code area in the City (having a 1976/77 assessed valuation for revenue purposes of \$32,139,360, representing 58.97 percent of the City total), has a total tax rate of \$11.887 per \$100 assessed valuation. Total tax rates in Tax Code Area 200 for the most recent five-year period are shown in the following tabulation.

TAX CODE AREA 200

Tax Rates per \$100 Assessed Valuation

Agency	1972/73	1973/74	1974/75	1975/76	1976/77
County of San Bernardino	\$ 3.1344	\$ 3.1327	\$ 3.1466	\$ 3.1466	\$ 3.1616
City of Colton	1.8200	1.8200	1.8200	1.7200	1.6139
Schools	7.0521	6.1137	5.6675	5.8486	5.8318
Flood Control Zone	.3000	.3000	.3000	.3000	.3000
Municipal Water District	.6000	.8500	.9800	.9800	.9800
Total	\$ 12.9065	\$ 12.2164	\$ 11.9141	\$ 11.9952	\$ 11.8873

Source: San Bernardino County Auditor-Controller.

Assessment District 1976-1 (Cooley Drive) is located entirely within Tax Code Area 240. Fiscal year 1976/77 is the first year in which tax rate information is available for this area which was created when the City of Colton Redevelopment Agency established Project Area No. 4, the Cooley Ranch Redevelopment Project. The 1976/77 tax rate for Tax Code Area 240 is tabulated in the following table.

TAX CODE AREA 240

Tax Rates per \$100 Assessed Valuation

Agency	1976/77
County of San Bernardino	\$ 3.1616
City of Colton	1.5735
Schools	5.8318
Flood Control Zone	.3000
Municipal Water District	.9800
	<u>\$11.8469</u>

Secured Tax Levies and Delinquencies

A five-year record of secured tax levies, and tax delinquencies for the City of Colton appears in the tabulation below.

CITY OF COLTON

Secured Tax Levies, and Delinquencies

Fiscal Year	Secured Tax Levy	Delinquency as of June 30	
		Amount	Percent
1971/72.....	\$3,702,017	\$ 71,477	1.93%
1972/73.....	4,187,109	96,151	2.30
1973/74.....	3,837,352	60,765	1.58
1974/75.....	4,074,809	124,615	3.05
1975/76.....	4,401,284	155,139	3.52

Major Taxpayers

Petrolane Gas Service Inc., Pacific Telephone and Telegraph Company, and Weyerhaeuser Co. are the largest taxpayers in Colton, as reported by the County Auditor. Taxes levied on the City's ten largest taxpayers for the 1976/77 tax year are shown in the following tabulation.

CITY OF COLTON

Major Taxpayers 1976/77

Taxpayer	Business	Taxes Levied (1)
Pacific Telephone and Telegraph	Utility	\$283,813.00
Petrolane Gas Service Inc.	Petroleum Distribution	275,949.46
Weyerhaeuser Co.	Manufacturer	194,785.48
Muskin Corporation	Manufacturer	129,623.13
Southern California Edison Co.	Utility	97,535.26
Southern Pacific Transportation Co.	Transportation	95,891.59
Familian Corporation	Manufacturer	91,660.57
Calner Pipeline Co.	Transportation	78,594.46
California Portland Cement Co.	Manufacturer	57,923.24
Southern California Gas Co.	Utility	46,604.86
Whittaker Corporation	Paint	40,381.98

(1) Total property tax levied for county, city, schools and special districts.

Employee Retirement

Permanent city employees are covered under the Public Employees' Retirement System of the State of California. In Fiscal Year 1975/76 the City paid a total of \$271,873.68 into the plan. \$154,405.27 of this amount was for general employees and \$117,468.41 was for safety employees. Through June 30, 1976, the City contributed an amount equal to 8.18 percent of general employee wages. Rates for general employees increased by .08 percent on January 1, 1977 to 8.26 percent and the rate will increase again on July 1, 1977 to 9.27 percent. Employees contributions equal seven percent of wages for general employees.

As of July 1, 1976, the City contributions for safety employees was 11.671 percent of wages. Presently the contributions by the employees is determined by a formula based upon their age and entry into the System. However, under a new agreement negotiated with the City, the contribution rates of both the City and the safety employees will change on June 30, 1977, just prior to the beginning of the new fiscal year. Effective June 30, 1977 the safety employees will contribute nine percent of their wages to the pension fund. On the same date the City's contribution rate will increase to 22.384 percent of wages. The City's contribution rate will be effective for one day only, because on July 1, 1977 there will be a 1.5 percent increase so that the City's contribution rate will be 23.884 percent of wages.

The State of California Public Employees' Retirement System was originally established in 1931. The System is governed by an eleven member Board of Administration. Administrative functions are carried out under the direction of an Executive Officer with a current staff of approximately 475. As of June 30, 1975, there were 535,786 members of which approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33% of the members are state personnel and the balance (67%) are public agency personnel. As of June 30, 1975, the System provided retirement, death and survivor benefits under 901 contracts for about 1,900 public agency employees (cities, counties, and other public agencies) with 356,517 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of California for the 1974 and 1975 fiscal years, as reported by the State Controller, was \$162,649,578 and \$231,057,854, respectively. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. Benefit Technology (formerly Actuarial Systems, Inc.) of Santa Clara is the independent actuary for the System, and may perform such an analysis in 1977.

Total assets of the System at June 30, 1975 were \$7,010,807,246, according to the annual audit of the State Controller. Of this amount, net assets of \$6,966,356,482 were available for benefits. Comparable figures for June 30, 1974 were \$6,233,968,821 and \$6,204,166,779, respectively. The unfunded obligation of the System was determined to be \$5,723,459,587 at June 30, 1975 by the independent auditors. This represents the present value of future state contributions and other member contributions. The total unfunded obligation does not take into account the provisions of Chapter 187, Statutes of 1975, which prescribed a new increased contribution rate by the state with respect to state miscellaneous members.

The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.

Fund Balances

Fund balances for the fiscal year ending June 30, 1974 and June 30, 1975, are listed in the following summary.

Fund (2)	June 30, 1974	June 30, (1) 1975
General Operating Fund(3)	\$ 213,427	\$ 893,202
Enterprise Fund(4)	2,314,807	(1,433,779)(5)
Restricted Fund(6)	1,826,706	967,473

- (1) The 1975 balances are unaudited. Although all audit procedures were followed, the CPA firm could not issue an audited statement because of a familial relationship between a member of the firm and a Colton city official. A new CPA firm has been retained for the 1976 audit. This audit is being conducted now.
- (2) The actual fund categories have been placed in general groupings which reflect their purposes. The groupings were suggested by the City's Finance Department.
- (3) Fund balances include the General, Library, Parks and Recreation, and Retirement Funds.
- (4) Fund balances include the Electric Utility, Water Utility, Cemetery, Refuse, and Sewer Funds.
- (5) Fund balance shows a deficit because of deficits in the Electric Utility and Sewer Funds. There was a change in accounting procedures on July 1, 1974 which affected the retained earnings of the funds.
- (6) Fund balances include all funds designated for special purposes such as for equipment replacement, capital improvement, revenue and grant monies from the state and federal governments.

Revenues and Expenditures

Table 4 shows a summary of the revenues and expenditures of the City of Colton over the past five fiscal years.

Table 4

CITY OF COLTON

Five-Year Summary of Revenues and Expenditures

Fiscal Year:	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES					
Property	\$ 581,742	\$ 655,995	\$ 631,434	\$ 672,568	\$ 728,071
Other taxes	568,591	735,916	852,555	940,604	1,018,068
Licenses and permits	40,779	37,926	32,623	35,940	39,470
Fines and penalties	88,128	74,059	75,992	111,841	122,396
Use of money and property	112,158	49,516	152,734	192,029	61,544
From other agencies	810,707	3,030,651	1,128,449	1,279,173	1,111,217
Current service charges	676,680	696,418	413,174	307,347	1,012,155
Other revenues	324,839	377,812	661,007	589,243	36,361
Total revenues	\$ 3,203,624	\$ 5,658,293	\$ 3,947,968	\$ 4,128,745	\$ 4,129,282
EXPENDITURES					
General government	\$ 812,504	\$ 874,468	\$ 1,054,106	\$ 1,453,767	\$ 1,069,891
Public safety	1,087,969	1,026,681	1,091,376	1,304,014	1,605,178
Public works	788,425	690,985	738,828	784,477	914,561
Health services	0	0	0	0	0
Library services	79,215	84,181	90,469	121,854	143,032
Parks and recreation	213,874	157,495	210,234	282,200	316,928
Contributions to city owned enterprises	21,071	4,297	0	0	0
Capital outlays	296,917	247,107	543,576	196,561	186,119
Total expenditures	\$ 3,003,058	\$ 2,838,113	\$ 3,185,013	\$ 3,946,312	\$ 4,049,590
NET REVENUES					
(EXPENDITURES)	\$ 200,566	\$ 2,820,180	\$ 762,955	\$ 182,433	\$ 79,692

Source: State Controller.

Direct and Overlapping Bonded Debt

Table 5 summarizes the City's direct and overlapping bonded debt as of March 1, 1977 as reported by California Municipal Statistics, Inc. of San Francisco.

Table 5

CITY OF COLTON

Statement of Direct and Overlapping Bonded Debt

Population	19,091(1)		
1976/77 Assessed Valuation	\$ 54,501,270		
Estimated Full Cash Value	\$228,720,000(2)		
		Debt Applicable March 1, 1977 (3)	
		Percentage	Amount
DIRECT AND OVERLAPPING BONDED DEBT:			
San Bernardino County FCD, Zone No. 2	8.415%	\$	57,643
San Bernardino Valley Municipal Water District.....	6.801		1,623,739
Colton Jt. Unified School District.....	39.766		1,783,505
Colton Jt. School District.....	70.431		457,802
San Salvador School District.....	68.046		20,414
Rialto Unified School District	1.880		91,785
San Bernardino City Unified School District.....	0.005		1,144
Bloomington School District.....	3.915		5,090
Terrace Union School District.....	19.870		47,688
City of Colton.....	100.		2,550,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT			6,638,810
Less: City electric bonds (100% self-supporting)			1,180,000
TOTAL NET DIRECT AND OVERLAPPING BOND- ED DEBT			\$5,458,810
	Percentage of		
	Assessed Valuation	Full Cash Value	Per Capita
Assessed Valuation	—	—	\$2,855
Gross Direct Debt.....	4.679%	1.115%	134
Net Direct Debt.....	2.514	.599	72
Gross Direct and Overlapping Debt.....	12.181	2.903	348
Net Direct and Overlapping Debt.....	10.016	2.387	286

(1) Special Census January, 1975, by San Bernardino County Planning Dept.

(2) Based on State Board of Equalization report that assessed valuation for San Bernardino County averaged 23.7 percent of full cash value for the 1976/77 fiscal year, except public utility property which is assessed by the State at 25 percent.

(3) Excludes sales, if any, following the date of this Official Statement; also excludes revenue bonds, city 1915 Act bonds (\$800,000) and the \$326,179 share of obligations secured by pledges of rental revenues due under lease of property to County (Building Authorities \$295,550 and Library Authorities \$30,629).

THE CITY

Colton is located in the center of the San Bernardino Valley, a few miles south of the city of San Bernardino and 54 miles east of Los Angeles. Colton is on the main lines of the Union Pacific, Santa Fe, and the Southern Pacific railroads. It is also the meeting point of four major freeways. This advantageous location has caused Colton to be labeled the "Hub City."

Colton was incorporated July 11, 1887 as a general law city and operates under the council-manager form of government. The City Council has five members, including the Mayor. Colton is seeking to achieve planned growth both on the home and industrial fronts. There are 14.5 square miles incorporated in the City of Colton. More than 1400 acres have recently been rezoned for industry. Another 140 acres has been rezoned for heavy and light commercial use.

Population

The population of Colton, according to the 1970 U.S. Census, was 20,016. In April, 1975, San Bernardino County commissioned the U.S. Census Bureau to conduct a special census. This data, which was published by the County's Planning Department showed that Colton was included within Planning District 11 which also includes Grand Terrace and Crestmore. The population within the Colton City limits was approximately 19,091, a decline of 4.6% from the 1970 figure.

CITY OF COLTON AND SAN BERNARDINO COUNTY Population

Year	City of Colton		San Bernardino County	
	Population	% Increase	Population	% Increase
1940.....	9,686	—	161,108	—
1950.....	14,465	49.3%	281,642	74.8%
1960.....	18,666	29.0	503,591	78.8
1970.....	20,016	7.2	682,233	35.5
1975(1).....	19,091	-4.6	701,200	2.8

Source: U.S. Census

(1) San Bernardino County Planning Department

Climate

The climate is typical of the coastal valleys of Southern California, characterized by warm to hot days and cool to chilly nights most of the year.

The monthly averages of daily extremes in temperature range from 32 degrees minimum to 74 degrees maximum in January, and from 52 degrees to 111 degrees in July. The mean average temperature is 64 degrees.

Air Resources

Colton is located in an area identified by the Air Resources Board as the South Coast Air Quality Maintenance Area (SCAQMA). This area includes all of Los Angeles, Ventura and Orange counties, and portions of Riverside, Santa Barbara and San Bernardino counties. Nearby air monitoring stations measure the level of contaminants in the air in order to determine whether existing air quality standards are being met. The establishment of governmental programs and regulations to improve the air quality of the South Coast Air Quality Maintenance Area may have an impact on the development plans for the property within the Assessment District.

Employment and Economic Activity

Employment patterns in the San Bernardino-Riverside-Ontario Labor Market Area are reported periodically by the State Department of Employment Development. The City of Colton lies within this market area. In November 1976 this labor market supported 449,900 civilian employees, including 343,500 nonagricultural wage and salary workers and 20,300 agricultural workers. Of the nonagricultural workers, 26.55 percent are on government payrolls, largely at the state and local government level. Trade, services, and manufacturing are the other leading sources of jobs, in that order. Of the 52,000 workers in manufacturing, 73 percent are engaged in durable goods production. Transportation equipment and primary metals are the leading industries in this group. A summary of employment by industry throughout the metropolitan area appears below, and a list of selected large employers in the City of Colton and in the larger market area follows on page 20.

At November 1976 the seasonally adjusted unemployment rate was 9.4 percent of the labor force compared with 10.7 percent the previous November. The unadjusted rate was 9.0 percent, down from 10.2 percent the previous November.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Wage & Salary Employment by Industry

Industry	November 1976	November 1975
Manufacturing	52,000	50,800
Mineral extraction.....	2,200	2,300
Construction.....	12,700	12,300
Transportation, communications, utilities	18,500	18,600
Trade.....	84,300	82,100
Finance, insurance, real estate	12,300	12,100
Services.....	70,300	69,600
Government.....	91,200	89,000
Total Nonagricultural.....	343,500	336,800
Agriculture	20,300	20,600

Source: California Department of Employment Development.

COLTON AND NEARBY CITIES (1)**Selected Major Employers**

Employer	Product/service	No. of Employees
Bendix Home Systems*	Mobile Homes	101-250
Brookside Dairy	Dairy & Milk Distribution	101-250
California Portland Cement*	Cement	300
City of Colton*	City Government	215
Colton Mfg., Inc., Ceramic Div.*	Bathroom Fixtures	101-250
Fontana Steel	Steel	101-250
Golden State Building Products	Lumber & Particle Board	101-250
Griffin Wheel Co.*	Railroad Wheels	140
Hanford Foundry Co.	Steel Castings	101-250
Heckett Engineering	Metal Recovery	101-250
Industrial Support Systems	Light Manufacturing, Assembling, Packaging	101-250
Kaiser Fabrication	Heavy Plate Fabrication	251-500
Kaiser Steel Corp.	Iron & Steel	Over 1,000
Kaiser Steel, Fabricating Div.	Structural Fabrication	251-500
La-Z-Boy West	Upholstered Furniture	101-250
Matich Corp.	Asphalt Paving	251-500
Mode O'Day Co.	Women's Sportswear	101-250
Muskin Corp.	Pool Equipment & Recreation Vehicles	244
Owl Rock Products	Gravel, Sand, Ready-Mix Concrete	101-250
Paramount Trends, Inc.	Women's Sportswear	101-250
Phototron Co.	Photo Finishing	251-500
Prowler Industries, Inc.	Travel Trailers	101-250
Richmond	Extrusions/Laminations	101-250
The Sun Co.	Newspaper Publishing	251-500
Teledyne Battery Products	Batteries	101-250
Terry Industries	Travel Trailers	101-250
TRW Systems Group	Systems Engineering	251-500
Union Carbide Corp.	Industrial Gases	101-250
Westinghouse Electric Corp.	Electric Vehicles	101-250

(1) Other cities are Fontana, Redlands, Rialto, San Bernardino

* Indicates employers located in the City of Colton

Source: Industrial Directory, 1976, San Bernardino County Economic Development Department

The occupational distribution of the Colton area is tabulated in the following chart.

CITY OF COLTON

Occupational Distribution—1970

Occupation	Number	Percentage
Professional, Technical and Related.....	1,192	13.8%
Farmer or Farm Manager.....	27	.3
Manager or Administrator.....	614	7.1
Clerical and Related.....	1,560	18.1
Sales Worker.....	747	8.7
Craftsman, Foreman and Related.....	1,317	15.3
Laborer.....	487	5.7
Service Worker.....	1,041	12.1
Farm Laborer.....	70	.8
Operatives and Related.....	1,559	18.1
Total.....	8,614	100.0%

Source: U.S. Department of Labor, Manpower Profile, April, 1973.

The following statistics indicate that the major employing industries in Colton are manufacturing and wholesale and retail trades.

CITY OF COLTON

Employment By Industry

Industry	Number	Percentage
Construction.....	543	6.3%
Manufacturing.....	1,866	21.7
Public Utilities.....	761	8.8
Wholesale—Retail Trade.....	1,896	22.0
Financial, Insurance, Business, and Repair.....	662	7.7
Other Professional and Related Services.....	808	9.4
Educational Services.....	829	9.6
Public Administration.....	635	7.4
Other Industries.....	616	7.1
Total (1).....	8,616	100.0%

(1) The difference in the total of this chart (8616) and the preceding chart (8614) is due to sampling variability.

Source: U.S. Department of Labor, Manpower Profile, April, 1973.

Income

As shown by the following summary of 1970 U.S. census results, 51.3 percent of the families responding reported incomes between \$7,000 and \$14,999 per year.

CITY OF COLTON

Family Incomes—1970

	Number	Percentage
Less than \$3,000	639	10.0%
\$3,000 — 3,999	332	5.2
\$4,000 — 4,999	376	5.9
\$5,000 — 5,999	306	4.8
\$6,000 — 6,999	338	5.3
\$7,000 — 9,999	1,476	23.1
\$10,000 — 14,999	1,805	28.2
\$15,000 — 24,999	904	14.1
\$25,000 and over.....	218	3.4
Total.....	6,394	100.0%

Source: U.S. Department of Labor, Manpower Profile, April, 1973

Building Activity

The following tabulation summarizes the value of building activity in Colton for the past five calendar years. As depicted in the tabulation, residential and non-residential building declined in 1974 and 1975 since the 1973 peak.

Building activity has increased in 1976. This is due in part to the general economic upswing and to the lower land costs in Colton. Two of the largest permits were issued for construction at the Cooley Ranch development; the San Bernardino County Medical Society building, \$406,000, and the Southern California Air Pollution Control District's new eastern zone headquarters, \$270,000.

CITY OF COLTON

Building Permit Valuations

Year	Residential		Non-Residential		Total Permits	Total Valuation
	Permits	Valuation	Permits	Valuation		
1972	16	\$ 682,791	438	\$ 1,456,483	454	\$ 2,139,274
1973	11	1,611,620	390	4,645,237	401	6,256,857
1974	7	253,483	415	3,555,706	422	3,809,189
1975	7	255,957	433	1,817,448	440	2,073,405
1976	17	2,155,227	557	4,475,675	574	6,832,382

Commercial Activity

Taxable sales in San Bernardino county reached almost \$2 billion in 1975. This represents an increase of over \$153 million in total taxable sales in 1974. The accompanying chart presents a summary of total taxable transactions in the county since 1970.

SAN BERNARDINO COUNTY

Taxable Transactions 1970-75 (1)

	Retail Stores	Business & Personal Services	All Other Outlets	All Outlets
1970	\$ 877,664	*N.A.	\$ 57,488	\$1,171,515
1971	952,381	N.A.	63,229	1,258,663
1972(2)	1,115,231	\$48,395	309,352	1,472,978
1973	1,279,608	57,290	349,525	1,686,423
1974	1,354,669	60,928	408,244	1,823,841
1975	1,471,122	66,400	439,651	1,977,173

Source: California State Board of Equalization

* Not Available

(1) Taxable transactions are computed from tax payments. Excluded are sales of food for home consumption, prescription medicines, other nontaxable items, and taxable sales disclosed by board audits.

(2) Sales of gasoline for highway use became taxable July 1, 1972.

The taxable sales figures for the City of Colton are shown on the following chart.

CITY OF COLTON

Taxable Transactions 1970-75 (1)

	Retail Stores	All Other Outlets	All Outlets
1970	\$23,917,000	\$13,494,000	\$37,411,000
1971	27,406,000	12,581,000	39,987,000
1972(2)	33,216,000	14,462,000	47,678,000
1973	40,985,000	16,429,000	57,414,000
1974	43,052,000	22,713,000	65,765,000
1975	46,663,000	22,041,000	68,704,000

Source: California State Board of Equalization

(1) Taxable transactions are computed from tax payments. Excluded are sales of food for home consumption, prescription medicines, other nontaxable items, and taxable sales disclosed by audits.

(2) Sales of gasoline for highway use became taxable July 1, 1972.

The accompanying tabulations present a breakdown of 1975 taxable sales by type of business for the City of Colton.

CITY OF COLTON

Taxable Sales by Type of Business—1975

Type of Outlet	Number of Outlets	Taxable Sales
Retail Stores:		
Apparel Stores.....	11	\$ 908,000
General merchandise stores.....	5	—
Drug stores.....	2	—
Food stores.....	24	5,514,000
Packaged liquor stores.....	6	1,165,000
Eating and drinking places.....	57	7,070,000
Home furnishings and appliances.....	11	748,000
Building materials and farm implements.....	6	2,651,000
Auto dealers and auto supplies.....	15	13,309,000
Service stations.....	33	8,289,000
Other retail stores.....	25	7,009,000
Total Retail Stores.....	195	\$46,663,000
All other outlets.....	242	22,041,000
Total All Outlets.....	437	\$68,704,000

Source: California State Board of Equalization

Banking and Finance

Colton is served by three national banks: Bank of America, Bank of California, and Security Pacific National Bank. Additional financial services are provided by the Orange Belt Federal Savings and Loan Association.

Transportation

Colton's advantageous location has caused it to be labeled the "Hub City". It is the only city in the southwest on the main lines of three transcontinental railroads—Santa Fe, Southern Pacific, and Union Pacific.

Highways 395, 91 and 18 and Interstate Freeways 10 and 15 from all directions, intersect at the Colton Interchange.

Golden West Airlines provides commuter air service from San Bernardino to Los Angeles International Airport. Ontario International Airport is only 20 minutes away from Colton by freeway. It provides air freight and passenger service to points throughout the world.

Utilities

Full public utility services are provided to the residents of Colton as shown in the following table:

CITY OF COLTON

Public Utilities

Utility Service	Supplier
Water.....	City
Sewerage	City
Electricity.....	City
Natural Gas.....	Southern California Gas Company
Telephone.....	Pacific Telephone Company of California

The water supplied to Colton comes from deep wells located just north of the city. Water availability is more than adequate but at present additional storage facilities are needed. The Cooley Ranch Redevelopment Plan calls for a 2 million gallon storage facility.

The city-operated wastewater quality control plant has a capacity of 5.4 million gallons daily. The present usage level is about 2-2.5 million gallons. The discharge to the plant will increase another 1-1.5 million gallons per day within the next year because sewers are being installed in the Grand Terrace area north of Colton which will utilize the city's plant. When the Cooley Ranch Redevelopment Plan is completed, it is expected that another .75-1 million gallons daily will be treated.

Colton has a refuse collection system which provides residential pickups 2 times per week and commercial pickups every 2 to 6 days depending upon the demand.

The City buys power from Southern California Edison Co. for distribution to the residents of Colton. The City's power department builds and maintains their own lines and handles new installations. The peak use is 20 megawatts. The usage requirement increases about 6% per year.

The number of connections for utility services are shown in the chart below.

CITY OF COLTON

Utility Connections

Fiscal Year:	1972	1973	1974	1975	1976
Electric and water connections(1)....	6,893	7,218	7,457	7,783	7,421
Gas connections.....	6,122	6,208	6,150	6,290	6,424
Telephones(2).....	7,909	8,468	9,166	9,687	10,219

(1) The city provides electricity, water, and sewerage and refuse collection for users. There are no figures available on the number of users in each category. Most users receive all of the services.

(2) Figures represent connections for the Colton Exchange, an area larger than the City of Colton.

Sources: City of Colton; Pacific Telephone Co.; Southern California Gas Co.

Education

Public education is administered by the Colton Unified School District. One high school, one junior high school and ten elementary schools are located in Colton. San Bernardino Valley Junior College is located just outside the city limits in the city of San Bernardino.

Seven major colleges and universities are located within a 20-mile radius of Colton. Four miles east of the City is the world-renowned Loma Linda University, a coeducational complex of schools offering Bachelor's, Master's and Doctoral programs in varied academic and professional fields, including medicine and dentistry. The University of Redlands, a private liberal arts college granting B.A., M.A. and Ph.D. degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. On the same campus is Johnston College, an experimental cluster college where students negotiate study contracts with their professors. San Bernardino State College, 7 miles from Colton offers the Bachelor's degree in 22 majors, and the Master's degree in education with specialization in elementary education, or English and history for secondary teachers. A general campus of the University of California is located at Riverside, 9 miles south of Colton.

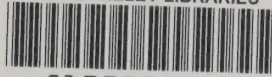
Recreation and Culture

Colton maintains a year-round recreational program under the supervision of paid personnel. Recreational facilities available include a natural warm water plunge, five parks, tennis courts, baseball fields, bowling facilities, 2 golf courses, roller rinks, hobby and social clubs, Little Theatre, movie and drive-in theatres. Fleming Park Bowl, with a seating capacity of 500 offers summer concerts and year-round community programs.

Colton is within a reasonable commuting distance from the mountains, the desert, and the sea shore. Crestline, Lake Arrowhead and Big Bear Lake, as well as other mountain resort villages, are located 18 to 40 miles from Colton. Hunting, fishing, camping, boating, skiing, and ice skating may be enjoyed in the San Bernardino mountains.

Palm Springs, Apple Valley, Victorville and other desert resorts and guest ranches are only 40 to 70 miles from Colton. The Pacific Ocean, with its beaches, fishing and boating is approximately 75 miles.

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